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S E C R E T SECTION 01 OF 03 KUWAIT 000572

SIPDIS

TAGS: [OVI](#) [KU](#)

SUBJECT: SEDCDEF SCENESETTER FOR KUWAIT 22-24 FEB 04

CLASSIFIED BY JOHN MULHOLLAND FOR REASONS 1.5 A,B.

DECLASSIFY ON 19 FEB 14

11. (U) WELCOME TO KUWAIT. THE KUWAITIS ARE DELIGHTED TO HAVE YOU BACK ON THEIR TURF, AND THEY ARE AGAIN EXTENDING FULL COURTESIES TO YOU AND GENERAL ABIZAID AT BAYAN PALACE. THIS SCENESETTER PROVIDES THE CURRENT STATE OF ON-GOING HN ISSUES IN ORDER TO PREPARE YOU FOR MEETINGS WITH KUWAIT OFFICIALS. WE HAVE TENTATIVELY SCHEDULED A MEETING WITH THE PRIME MINISTER (PM) ON THE EVENING OF 22 FEB 04.

12. (C) PRIME MINISTER: SHEIKH SABAH AL-AHMED AL-JABER AL-SABAH (HIS HIGHNESS). UNPRECEDENTED APPOINTMENT AS PM JUL 03 (CROWN PRINCE HISTORICALLY HELD THE TITLE OF PM). YOU LAST MET THE PM IN WASHINGTON D.C. IN SEP 03. IN A MEETING ON 27 JAN 04 (SEE PARA 4 BELOW), THE PM STATED KUWAIT WOULD CONSIDER THE U.S. REQUEST TO CONTINUE THE FUEL SUPPLY FOR U.S. MILITARY OPERATIONS. ACCORDING TO A CLOSE ADVISOR, HIS DOMESTIC AGENDA IS TO OVERCOME TRIBALIST (CONSERVATIVE) ELEMENTS IN KUWAIT TO ACCOMPLISH THE FOLLOWING: OPEN THE OIL SECTOR TO FOREIGN INVESTMENT (PRESSING NEED EXISTS FOR FOREIGN UP-TO-DATE TECHNOLOGY); PRIVATIZATION (REDUCING THE WELFARE STATE); EDUCATION (ESTABLISH PRIVATE UNIVERSITIES); AND WOMEN,S RIGHTS ISSUES (INCLUDING VOTING RIGHTS).

13. (U) CURRENT ASSESSMENT OF U.S. / KUWAIT RELATIONSHIP.

3A. (U) THE GOK CONTINUES TO PROVIDE A STRATEGICALLY-VITAL SECURE OPERATIONAL REAR AREA ISO OIF AND USCENTCOM INITIATIVES.

3B. (C) AT THE NATIONAL LEVEL (PRIME MINISTER AND MINISTER OF DEFENSE) KUWAIT REMAINS STRONGLY SUPPORTIVE OF U.S. OBJECTIVES. SENIOR KUWAIT GOVERNMENT OFFICIALS ARE ENTHUSIASTIC ABOUT OPPORTUNITIES TO SUPPORT OUR EFFORTS. THE PRIME MINISTER KNOWS THAT THE SUCCESS OF OUR EFFORTS IN IRAQ IS CRITICAL TO THE WELL BEING OF KUWAIT. AT THE SAME TIME, THE GOVERNMENT MUST ANSWER TO AN ACTIVE PARLIAMENT THAT CAN AND DOES CALL MINISTERS TO ACCOUNT FOR THEIR ACTIONS AND A CONSERVATIVE MINORITY SEGMENT OF THE KUWAITI PUBLIC THAT IS SUSPICIOUS OF U.S. MOTIVES. THE RECENT ACCUSATIONS AGAINST HALLIBURTON CORPORATION IN KUWAIT HAVE CAUSED THE MINISTER OF ENERGY TO REFER THE MATTER TO THE PUBLIC PROSECUTOR FOR INVESTIGATION. LOCAL MEDIA HAVE REPORTED PARLIAMENTARY DEBATE ON THE MATTER INVOLVING THE PM.

3C. (C) AT THE ARMED FORCES LEVEL CHIEF OF STAFF LTG FAHAD INCREASINGLY ASKS FOR DETAILED JUSTIFICATION FOR OUR SUPPORT REQUESTS. BUDGET CONSTRAINTS INCREASINGLY DOMINATE HIS DECISION MAKING. U.S. SUPPORT REQUESTS IN EXCESS OF THOSE AGREED TO IN YEARS PAST ARE SUBJECT TO INCREASED SCRUTINY.

14. (C) WHAT YOU SHOULD EXPECT FROM THE PM. HE WILL ASK FOR YOUR ASSESSMENT OF THE SITUATION IN IRAQ AND YOUR VISION FOR THE WAY AHEAD. KUWAITIS ARE ANXIOUS BUT OPTIMISTIC CONCERNING THE POLITICAL TRANSITION. KUWAIT,S MAJOR CONCERNS ARE: THAT IRAQ BE A STABLE FRIENDLY NEIGHBOR; MAINTAIN ITS NATIONAL UNITY; AND THAT NO ONE (SPECIFICALLY THE SUNNIS) BE DISENFRANCHISED.

15. (U) WHAT THE PM WANTS TO HEAR.

5.1. (C) THANK HIM AND HIS GOVERNMENT FOR THE OUTSTANDING SUPPORT IN TERMS OF BASING, AND ASSISTANCE IN KIND INCLUDING FUEL. KUWAIT IS OUR ONLY INDISPENSABLE ALLY IN SUPPORTING OIF. CURRENT ESTIMATES BY AMEMB KUWAIT PLACE GOK COSTS BORNE ISO U.S. FORCES AND OPERATIONS DURING 2003 ALONE AT APPROXIMATELY \$677M (NOT INCLUDING INTANGIBLE COSTS SUCH AS WAIVED PORT AND IMMIGRATION FEES, SECURITY PROVIDED FOR U.S. CONVOY OPERATIONS ETC). THIS FIGURE REPRESENTS ROUGHLY 15 PERCENT OF THEIR ENTIRE MILITARY BUDGET.

5.2. (U) REASSURE THE PM THAT THE U.S. IS DETERMINED TO STAY THE COURSE IN IRAQ. WE ARE COMMITTED FOR AS LONG AS IT TAKES TO ENSURE A UNITED AND STABLE IRAQ.

5.3. (U) COMMEND HIM FOR HIS LEADERSHIP IN SUPPORTING IRAQ,S INCLUSION IN THE 14-15 FEB MEETING OF THE NEIGHBORING COUNTRIES OF IRAQ HELD HERE IN KUWAIT. THIS MEETING RESULTED IN SUPPORT FOR THE INTERNAL IRAQI POLITICAL PROCESS AND SET A PRECEDENT FOR IRAQI INCLUSION IN THIS FORUM.

5.4. (U) ASSURE HIM THAT THE U.S. SUPPORTS KUWAIT IN ITS EFFORT TO LOCATE AND RETURN ITS POWS AND MISSING PERSONS FROM 1991. TO DATE, REMAINS OF 75 OF THE 605 MISSING HAVE BEEN POSITIVELY IDENTIFIED (NO LIVE POWS HAVE BEEN LOCATED).

16. (U) ON-GOING BILATERAL ISSUES

6.1 (C) FUEL SUPPLIED AS ASSISTANCE IN KIND (AIK). THE INTER-AGENCY (DOS/DOD) NEGOTIATING TEAM LED BY DOS A/S FOR POLITICAL MILITARY AFFAIRS LINCOLN BLOOMFIELD JR. AND JOINED BY PDASD/ISA PETER FLORY MET ON 27 JAN 04 WITH REPRESENTATIVES OF THE MINISTRIES OF FINANCE, FOREIGN AFFAIRS, DEFENSE, AND ENERGY, AS WELL AS THE KUWAIT PETROLEUM CORPORATION. THE MEETING OCCURRED AT THE REQUEST OF HOST COUNTRY AFTER GOK SERVED EMBASSY W/ \$85M BILL FOR FUEL CONSUMED AFTER 1 MAY 03. (THE BILL DID NOT SPECIFY THE AMOUNT OF FUEL OR AN END DATE FOR THE BILLING PERIOD, BUT WAS DATED 1 DEC 03). THE GOK,S PRIMARY DESIRE IS A WRITTEN AGREEMENT TO SERVE AS THE LEGAL BASIS FOR THE FUEL,S PROVISION. THE GOK REPRESENTATIVES AGREED TO REFER USG CONSUMPTION DATA AND USG REQUEST FOR A CONTINUATION OF AIK FUEL SUPPORT TO THEIR MINISTRIES, LEADERSHIP. WE HAVE RECEIVED NO RESPONSE TO DATE ALTHOUGH FUEL CONTINUES TO BE SUPPLIED.

6.2. (U) JOINT MILITARY COMMISSION (JMC): THE JMC WILL OCCUR IN WASHINGTON, DC 30-31 MAR 04. OMC-K IS ASSISTING IN PREPARATION OF AGENDA ITEMS ICW CFLCC, CENTCOM, AND THE KUWAIT ARMED FORCES.

6.3. (U) BORDER CROSSING / CUSTOMS / COMMON ACCESS CARD (CAC) MOU. ON 18 JAN 04 THE EMBASSY FORWARDED A DIPLOMATIC NOTE TO THE MFA CONTAINING OUR PROPOSED FINAL DRAFT OF THE BORDER MOU WHICH WILL REGULARIZE BORDER CROSSING, CUSTOMS AND IMMIGRATION PROCEDURES USED BY COALITION FORCES IN KUWAIT. ALSO PROPOSED: 1) CFLCC RECEPTION BOOTH AT KCIA; 2) GOK TO PROVIDE MULTIPLE-ENTRY VISAS (VICE SINGLE-ENTRY VISAS) AS THE NORM; 3) ESTABLISH A WORKING GROUP TO DEAL WITH CONTRACTORS PRESENTLY IN COUNTRY WITHOUT PROPER DOCUMENTATION; 4) COMMITMENT BY THE U.S. TO HONOR HOST-COUNTRY IMMIGRATION LAWS. THIS LAST TERM REFLECTS U.S. INTENTION TO REQUIRE CONTRACTORS AND OTHER NON-U.S. PERSONNEL TO ENTER/LEAVE THE COUNTRY WITH A PASSPORT AND VISA. TO DATE, THE MOU HAS NOT BEEN SIGNED PENDING AGREEMENT ON WHICH SIDE WILL PROVIDE X-RAY EQUIPMENT AT THE U.S.-MANAGED BORDER CROSSING POINT TO/FROM IRAQ. KUWAIT CUSTOMS SEEKS LANGUAGE IN THE MOU ASSIGNING RESPONSIBILITY TO USG. CFLCC IS RESEARCHING THE MATTER. TOTAL ANTICIPATED COST OF THIS GAMMA RAY EQUIPMENT IS APPROXIMATELY \$7 MILLION.

6.4. (S) TAXATION OF USG CONTRACTORS: SEVERAL USG CONTRACTORS IN KUWAIT HAVE RECEIVED NOTICE OF GOK,S INTENT TO TAX INCOME EARNED FROM USG CONTRACTS. THE EMBASSY HAS SENT A DIP NOTE TO MFA REMINDING THE GOK IT CANNOT TAX U.S. CONTRACTORS REGARDLESS OF WHERE INCOME IS EARNED, PER DCA. ONE USG CONTRACTOR SUBSEQUENTLY LEARNED ITS TAX LEVY WAS CANCELLED.

6.5. (S) Need For A Kuwait-Focused Strategic Review. Kuwait clearly needs to conduct a strategic review to define the current and future strategic environment that it will operate in, and will need our help in doing so. LTG Fahad has specifically asked for our assistance in doing so, referring to the Defense Review Group conducted in 1991 that ultimately became the blueprint for the current Kuwaiti military. The Kuwaiti military is looking to move towards a capability-based force vice the current, threat-based force. Such a review, guided and shaped by the U.S., would significantly address the requirement for Kuwait to re-examine its national military strategy and that strategy,s relationship to USG/CENTCOM regional strategy in the wake of OIF. Additionally, such a review would spur development of an appropriate, corresponding Kuwaiti force structure, an accompanying acquisition strategy, and outline for a continuing military-to-military relationship with the U.S. We believe strongly that this is a premier opportunity to focus Kuwait,s National Security Strategy and draft a new blueprint for the Kuwaiti Armed Forces consistent with U.S. regional strategic intentions. To that end, we have scheduled a Defense Resource Management Study for Kuwait through OSD. Although primarily oriented to resource management, we recommend that this study primarily focus on the strategic assessment in order to shape the subsequent requirements as outlined above. The upcoming JMC will be the forum for initial discussions on the way ahead.

6.6. (C) FORCE PROTECTION FOR DOD CONTRACTORS: THE INCREASED NUMBER OF CONTRACTORS IN KUWAIT HAS RAISED THE QUESTION OF WHO HAS FP RESPONSIBILITY OVER THEM: COM, CENTCOM, OR NEITHER. THE UNIVERSAL MOU ON FP DOES NOT MENTION CONTRACTORS PER SE. THE COM HAS SENT A CABLE TO DOS ASKING IT TO ADDRESS THE ISSUE (KUWAIT 566, FORCE PROTECTION RESPONSIBILITY TO DOD CONTRACTORS IN KUWAIT, DTG 181338Z FEB 04). THE MATTER ALSO RECEIVED HIGH-LEVEL ATTENTION FROM RECENTLY COMPLETED (17 FEB 04) DOS/IG INSPECTION OF EMBASSY. CURRENTLY, THERE IS NO COMPREHENSIVE ACCOUNTING FOR DOD CONTRACTORS IN KUWAIT. FULL ACCOUNTING IS NECESSARY TO ENSURE ALL PERSONNEL ENTITLED TO FP ARE RECEIVING IT. THIS IS NOT A BILATERAL ISSUE THAT YOU SHOULD ANTICIPATE RAISING WITH YOUR HOSTS. IT WILL BE RESOLVED THROUGH THE INTERAGENCY PROCESS IN WASHINGTON.

MULHOLLAND